

Environmental Protection Agency

1999 Annual Plan Request to Congress

Effective Management

Strategic Goal: EPA will establish a management infrastructure that will set and implement the highest quality standards for effective internal management and fiscal responsibility.

**Goal Summary
(Dollars in Thousands)**

		1998 Pres Bud	1998 Enacted	1999 Pres Bud
Effective Management		\$716,580.2	\$668,857.3	\$659,860.5
Obj. 01	Executive Leadership	\$26,003.4	\$27,897.8	\$30,895.9
Obj. 02	Management Services, Administrative, and Stewardship	\$175,284.8	\$165,331.7	\$180,937.4
Obj. 03	Building Operations, Utilities and New Construction	\$367,905.0	\$331,959.5	\$299,921.3
Obj. 04	Regional Management Services and Support	\$110,769.2	\$107,103.7	\$108,189.1
Obj. 05	Provide Audit and Investigative Products and Services	\$36,617.8	\$36,564.6	\$39,916.8
Goal Total FTE		2,927.9	2,919.6	2,974.7

Strategic Objectives:

Objective #1: Executive Leadership. EPA will establish a management infrastructure that will set and implement the highest quality standards for effective internal management and fiscal responsibility.

Objective #2: Management Services, Administrative, and Stewardship. The Agency will provide the management services, administrative support and operations to enable the Agency to achieve its environmental mission and to meet its fiduciary and workforce responsibilities.

Objective #3: Building Operations, Utilities and New Construction. OARM will provide the Agency with a quality work environment that considers employee safety and security, building operations, utilities, facilities, new construction, repairs and pollution prevention within Headquarters as well as nationwide.

Objective #4: Regional Management Services and Support. The Regions will continue to provide the management services, infrastructure support and facility

operations necessary for the Agency to achieve its environmental mission, and meet its fiduciary and workforce responsibilities.

Objective #5: Provide Audit and Investigative Products and Services. Provide audit and investigative products and services all of which can help EPA accomplish its mission.

Programs and Activities:

Efforts under this goal support the full range of Agency activities for a healthy and sustainable environment. Agency management provides vision and leadership within the Agency, and conducts policy oversight for all Agency programs. The effectiveness of EPA's management will determine, in large measure, how successful we will be in pursuit of the other goals identified in the Agency's annual plan. Sound management principles, practices, results-based planning and budgeting, fiscal accountability, quality customer service, rational policy guidance and careful stewardship of our resources are the foundation for everything EPA does to advance the protection of human health and the environment. Agency management systems and processes will be supported by independent evaluations that promote efficient and effective programs, so that we can obtain the greatest return on taxpayer investment.

The 1999 Annual Plan is based on \$659.9 million and 2,975 workyears for the Effective Management goal, a decrease of \$9.0 million and increase of 55 workyears over 1998. Managerial accomplishments will include implementation of automated and streamlined human resources and financial management processes, construction of new facilities, and establishment of state-of-the-art laboratories. The Agency will also honor its obligations to protect children from environmental hazards by working to make the protection of children's health a fundamental goal of environmental protection in the United States.

HIGHLIGHTS:

Protecting Children's Health

The 1999 Annual Plan is based on \$30.9 million and 265 workyears to provide vision and leadership, as well as executive direction and policy oversight, for all Agency programs, including Children's Health.

The Agency will honor its obligation to protect children from environmental hazards by targeting resources toward the Agency's many diverse children's activities. Children today face significant and unique health threats from a range of environmental hazards. They are often more heavily exposed and more vulnerable than adults to toxins in the environment, from asthma-exacerbating air pollution and lead-based paint in older homes, to treatment-resistant microbes in drinking water, to persistent chemicals that may cause cancer or induce reproductive or developmental changes. Children's developing immune and nervous systems can be highly vulnerable to disruption by toxins in the environment, and the consequences may be lifelong.

In 1999, major activities include establishing, with the Department of Health and Human Services, six Children's Environmental Research Centers, ensuring that EPA's public health regulations consider children's health, and

providing information to parents to better protect their children from environmental hazards.

Improving Management Services, Administrative Support, and Stewardship

The 1999 Annual Plan is based on \$289.1 million and 2,154 workyears for management services, administrative support, and stewardship. EPA will provide the management services and administrative support to achieve its environmental mission and to meet its fiduciary and workforce responsibilities.

The Agency wants to ensure that its workforce is of the highest caliber and is fully prepared to deliver national leadership and expertise in environmental protection. To do so, the Agency will invest in its employees through training and education. The Agency is also striving toward increasing efficiencies in hiring and placement of staff with the necessary scientific and technical skills to sustain effective environmental protection programs. By implementing an automated and streamlined human resources process, the Agency will take major steps toward achieving these goals.

Previously, the Agency has relied on cost-plus, level-of-effort contracting. In an effort to enhance the timeliness and quality of contract products and service, the Agency will be transitioning from this more costly and less efficient method of contracting to the more programmatic and cost effective method of performance-based service contracting. Furthermore, by improving the Agency's contract management information systems, the Agency will improve the quality and availability of information on the status and use of resources, thereby assuring that the Agency acquires the best quality goods and services in support of Agency objectives.

The Agency is also taking steps toward reducing reporting burdens by the Agency's highest volume submitters by encouraging and supporting electronic reporting. These efforts will facilitate EPA's acquisition of key information about environmental conditions across the country.

In 1999, upon correction of grants management vulnerabilities, emphasis will be placed on all aspects of post award grants management to ensure fiscal integrity. This will be accomplished by supporting and maintaining an Agency-wide Integrated Grants Management System that will provide for significant and immediate customer service and communication, as well as substantial time and resource savings, increased integrity of data quality, and post award management/closeout support.

Improving the Agency's ability to focus on environmental results and ensuring effective stewardship of Agency resources is a high priority for the Agency. To strengthen the Agency's accountability through a performance-based management system, EPA will continue development of its integrated planning, budgeting, and accountability process, and will further its achievement of the substantive statutory requirements of the Government Performance and Results Act (GPRA), Chief Financial Officers Act (CFO Act), and related legislation. The Agency will also focus on development of effective financial management systems, and greater efficiency through streamlining, customer service, and automated systems development.

Maintaining and Improving Agency Infrastructure

The Agency is requesting a total of \$299.9 million and 155 workyears to provide a quality work environment that considers employee safety and security,

building operations, utilities, facilities repairs, new construction, and pollution prevention throughout the Agency's ten Regional offices, research and development laboratory complexes, field stations, and Headquarters locations.

In support of effective management, the Agency will provide for construction and establishment of state-of-the-art laboratories, providing the tools essential to researching innovative solutions to current and future environmental problems and enhancing our understanding of environmental risks. The consolidated laboratory office complex at Research Triangle Park, North Carolina is an excellent example. For 1999, the Agency is requesting \$32.0 million for the continued construction of this complex. This facility will consolidate several locations that EPA currently leases, saving taxpayers over \$100 million over the facility's life. Also, EPA is requesting an advance appropriation of \$40.7 million in fiscal year 2000 to complete the project.

The Agency's goal of consolidating its Headquarters personnel into one central location is closer to being realized. In 1999, EPA is requesting \$16.0 million for relocation to and continued construction of the new Headquarters buildings. The single largest component of this request is for the telecommunication costs to conform to EPA's Integrated Services Digital Network (ISDN) and local area network standards. Significant accomplishments for 1999 include completion of the buildout in the Ariel Rios North building, and 50% completion of the Interstate Commerce Commission building. Furthermore, lab construction at Ft. Meade, Maryland will be completed.

EPA's employees are a major asset and the Agency will continue to take steps to provide a wide range of facilities management and safety, health and environmental management policies, procedures and services. Facilities operations include rent; preventive maintenance of existing space; security and property management; printing services; postage and mail management services; transportation services; Agency recycling; and health, safety and environmental compliance activities, including medical monitoring and training.

Assisting EPA in Reaching Its Mission by Providing Audit and Investigative Products and Services

The Agency is requesting \$39.9 million and 401 workyears to provide audits and investigations of EPA's program, administrative, and financial activities by the Office of Inspector General. This will ensure that the Agency's programs are delivered in an effective, efficient, and economical manner and in compliance with all applicable laws and regulations. Audits and investigations assist the Agency in identifying areas of potential risk and necessary improvements that can significantly contribute to EPA's fulfillment of its mission. Services also include working in partnership with Agency management to find more effective and efficient solutions to environmental problems.

FY 1999 Annual Performance Goals:

The resources requested in this budget will enable the Agency to meet a number of important performance goals. The most significant of these include:

- By the end of 1999, continue renovation of the new Headquarters complex by completing 100% buildout of the Ariel Rios north building and 50% of the Interstate Commerce Commission/Customs building, and moving 47% of EPA personnel from vacated spaces to the new consolidated complex.

- By the end of 1999, complete at least 50% of construction of the consolidated research lab at Research Triangle Park in North Carolina.
- By the end of 1999, implement performance-based contracting for 10% of EPA contracts awarded to improve quality and timeliness.
- By the end of 1999, implement Phase I of the Integrated Grants Management System (IGMS) award module in all regions.
- By the end of 1999, evaluate 5 EPA standards to ensure they are protective of children's health.
- By March, 1999, 100% of EPA category 1 & 2 systems tested will calculate the Year 2000 correctly.
- By the end of 1999, the Agency can plan and track performance against annual goals and capture 100% of costs through the new PBAA structure, based on modified budget and financial accounting systems, a new accountability process and new cost accounting mechanisms.
- In 1999, the OIG will provide objective, timely, and independent auditing, consulting, and investigative services through such actions as completing 15 construction grant closeout audits.

Key Performance Measures	1998	1999
Select standards for evaluation to ensure they consider children's special health needs	5 standards	<5 standards
Re-evaluate standards to ensure they consider children's special health needs	5 standards	<5 standards

Key Performance Measures	1998	1999
Calculate yr 2000 in category 1&2 Sys		100 Percent
Performance base contracts awarded	5 Percent	10 Percent
Implement the IGMS awards module in all regions		10 regions
Accountability system captures 100% of key EPA performance measures.		09-30-99
Cost acctg. capability achieved thru revised acct structure to capture costs at subobj level	100 %	100 %

Buildout in the Ariel Rios North Bldg	130,000 Sq ft	
Construction of new RTP building		50 Percent Complete
Complete buildout of Ariel Rios north building		260,000 sq ft
Begin buildout of ICC/Customs building		50 percent
\$VALUE/RECOMMENDATION,QUESTION COST,SAVING	138.5 \$s in millions	118.5 \$s in MILLIONS
\$svalue/Fines,Recoveries,Judgement,Res titutions	4.06 \$s IN MILLIONS	4.16 \$s IN MILLIONS
IG RECOMMENDATION & ACTIONS	57 RECOM/ACTION	57 RECOM/ACTIO
Judicial, Administration and other Actions taken to enforce law, reduce or avoid risk.	51 ACTIONS	52 ACTIONS
Construction Grants Closeout Audits	15 Audits	15 Audits

Key Performance Measures Verification

EEO Complaints Closed

The Office of Civil Rights will maintain records on the number of complaints closed during the year.

Title VI Complaints Closed

The Office of Civil Rights will maintain records on the number of complaints closed during the year.

Office of Children's Health Protection

The Office of Children's Health Protection will select and evaluate up to five standards to ensure they consider the special needs of children's health. Records will be maintained.

Customer Service Survey

The Agency has attempted to develop measures which adequately reflect program goals and objectives. These measures emphasize quantifiable aspects of program processes, incorporating realistic program outputs and outcomes. The Agency recognizes the importance of verifying the validity of performance measures and indicators. Consequently, efforts are planned and currently underway to ensure that measures accurately reflect and support our assumptions. An important first step in this process has been the undertaking of a Customer Service survey to measure customer satisfaction. The results of this survey will provide us with a framework by which to validate and revise many of our assumptions. As the process evolves, the program output and outcome data provided will allow us to refine both our measures and our supporting information management system. Many of the key measures are verifiable through quantitative means. The measures are output oriented and actual outputs or products will be counted or verified.

OCFO Accountability System

The Office of the Chief Financial Officer has developed validation methods for key performance measures for 1998 and 1999. One 1998 key performance measure is that the "Accountability System is developed and ready to implement." To verify whether this performance measure has been met, we will evaluate and document whether all components of the Accountability System have been fully developed and tested; whether all policies, procedures and guidance related to use of the Accountability System have been developed, approved, and promulgated; and whether all appropriate Agency personnel have been trained in policy, procedures and processes related to use and application of the Accountability System. To validate the results of this performance measure, we will evaluate and document whether the Accountability System achieves all development standards established in the planning phase. The other OCFO Fiscal Year 1998 key measure relates to Year 2000 compliance. To validate the performance measure "Agency financial management system is Year 2000 compliant in time to achieve invisible processing of financial transactions," we will conduct independent testing and evaluation to demonstrate results of systems programming changes on the processing of financial transactions.

In 1999, the key Accountability System measure is that the "Accountability System captures 100% of key EPA performance measures." To verify and validate this measure, we will evaluate and document whether the Accountability system contains a complete and accurate set of key EPA performance measures articulated in the Agency's Annual Plan. There is also a key 1999 performance relating to Year 2000 compliance: "Agency payroll and all related systems are Year 2000 compliant in time to achieve invisible processing of payroll transactions." To validate this performance measure, we will conduct independent testing evaluation to demonstrate results of systems programming changes on the processing of payroll transactions.

Prime Audit Tracking System (PATS)

The primary source of key performance measure data for the Office of Audit (OA) is the Prime Audit Tracking System (PATS). The reports generated by PATS are used by OA management to monitor progress, workload assignments, and the general productivity of the office. Specifically, PATS provides detailed listings of audits and reports, personnel time data, summary financial information, and quantifiable results. Headquarters and divisional OA personnel are the users of PATS and are responsible for entering data in accordance with the PATS Handbook. Each user must verify that the data has been accurately reported in the system. System security is maintained by limiting access through

the use of passwords. The accuracy of data in PATS is subject to daily internal management review and independent reviews by the Management Assessment Review team (within the Program Support Staff) and a peer review team from another Federal Office of Inspector General.

Office of Investigations (OI) Management Information System

The primary source of key performance measure data for the Office of Investigations (OI) is the OI Management Information System. The reports generated by this system are used by management to evaluate productivity by tracking the number of cases open and closed, personnel time charges, judicial and administrative actions (such as indictments, convictions, suspensions and debarments, sentencing or personnel actions), and financial information to include fines, recoveries, judgments, settlements, restitutions, and savings. Divisional personnel are responsible for entering data on personnel time charges and verifying that these charges are accurately reflected in the system. An investigative information specialist in Headquarters monitors data entered by divisional personnel and enters information on case openings and closings, judicial and administrative actions, and financial information. Management accountability reports are prepared and sent to Headquarters desk officers and divisional personnel for review and verification. System security is maintained by limiting access through the use of passwords. The accuracy of data in the OI system is also subject to independent review by the Management Assessment Review team (within the Program Support Staff).

Integrated Financial Management System (IFMS)

The primary sources of key performance measure data within the Program Support Staff are the EPA Integrated Financial Management System (IFMS) and the EPA Budget Planning System. The IFMS generates the information necessary to prepare annual operating plans and monthly status of funds reports which are used by management to effectively and efficiently use available resources. This system provides detailed information on operating plan projections as well as expenditures and remaining balances by account and budget object class. The BPS contains budget development information which is used by management to estimate future budget needs and to implement the requirements of the Government Performance and Results Act. Data is entered in IFMS and BPS by both OIG and Agency personnel who are responsible for verifying that the information is accurately reflected. System security is maintained through the use of passwords. The accuracy of data in the IFMS and BPS are subject to audit by the EPA Office of Inspector General and the General Accounting Office.

Inspector General Operations and Reporting System (IGOR)

The Office of Inspector General is currently developing an integrated management information system called the Inspector General Operations and Reporting System (IGOR) in conjunction with correcting the Year 2000 problem to recognize four-digit dates. IGOR will consolidate and upgrade the functions of several existing systems and integrate management and performance data, including project cost accounting.

Statutory Authority

42 USC 2000e-16

Administrative Procedures Act (5 USC Chapter 5)

Civil Rights Act of 1964, Title VI, Title VII

Comprehensive Environmental Response, Compensation, and Liability Act

Civil Service Reform Act of 1978

Clinger-Cohen Act

Chief Financial Officers Act

Federal Financial Management Improvement Act of 1996

Federal Managers Financial Integrity Act of 1982

Competition in Contracting Act

Contract Disputes Act

Federal Grant and Cooperative Agreement Act

Federal Records Act

Federal Claims Collection Act

Government Performance and Results Act of 1993

Public Buildings Act

Federal Property and Administrative Services Act

V.A., H.U.D., and Independent Agencies Appropriations Act

Paperwork Reduction Act Amendments of 1995

Federal Records Act

Inspector General Act of 1978, as amended